

Message Text

CONFIDENTIAL

PAGE 01 GUATEM 05927 142242Z

62

ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 CAB-09 CIAE-00 COME-00 DODE-00

INR-10 NSAE-00 RSC-01 FAA-00 SS-20 NSC-10 SPC-03 L-03

H-03 OMB-01 TRSE-00 PA-04 USIA-15 PRS-01 /108 W

----- 006870

R 142051Z DEC 73

FM AMEMBASSY GUATEMALA

TO SECSTATE WASHDC 1551

INFO AMEMBASSY MANAGUA

AMEMBASSY TEGUCIGALPA

AMEMBASSY SAN JOSE

AMEMBASSY SAN SALVADOR

C O N F I D E N T I A L GUATEMALA 5927

E.O.11652: GDS

TAGS: ETRN, GT

SUBJECT: CIVAIR: PAN AM DIFFICULTIES

REF: A) GUATEMALA 5855, B) STATE 240657, C) GUATEMALA 5279

1. IN FRIENDLY BUT APPARENTLY UNYIELDING CONVERSATION WITH CHARGE DEC. 13, MINCOMMUNICATIONS ANZUETO OFFERED LITTLE HOPE OF GOG ACCOMMODATION ON PAN AM ISSUE. CHARGE OPENED CONVERSATION BY NOTING MINFOREIGN AFFAIRS HAD SUGGESTED MEETING (REF C) SINCE GOG VIEW OF FACTS SURROUNDING ISSUE APPEARED SOMEWHAT DIFFERENT FROM THAT HELD BY PAN AM. WITH THIS OPENING, ANZUETO REVIEWED ENTIRE ISSUE, REVEALING NO SIGNIFICANT NEW "FACTS" OR CONSIDERATIONS AND CONCLUDED BY DISCUSSING HIS DEC.10 MEETING WITH RENNEL. ANZUETO, LIKE RENNEL, DESCRIBED THAT MEETING AS CORDIAL AND ADMITTED THAT HE HAD SUGGESTED PAN AM PRESENT ITS POPOSALS RE FIFTH FREEDOM IN WRITING.

2. UNFORTUNATELY, THE EXPLANATION FOR THIS IMPROVED ATMOSPHERE DOES NOT APPEAR TO BE ANY DECISION TO BE CONCILIATORY AS RENNEL AND WE HAD CONJECTURED (REF A) BUT RATHER SIMPLE CONFIDENCE IN THE CORRECTNESS OF
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PAGE 02 GUATEM 05927 142242Z

COURSE ADOPTED BY GOG, ALTHOUGH ANZUETO SAID HE WOULD STUDY

PROPOSALS TO SEE IF THEY WERE "CONVENIENT" FOR GOG.
ANZUETO REPEATEDLY STRESSED GOG'S DETERMINATION TO MAKE AVIATECA PAY ITS OWN WAY AND CLAIMED THAT THROUGHOUT NEGOTIATIONS WITH PAN AM THIS HAD BEEN CLEARLY EMPHASIZED. HE NOTED THAT TACA ALSO HAS BEEN RESTRICTED ON ITS MEXICO CITY-GUATEMALA SERVICE AND ASSERTED, AS HE HAD TOLD RENNEL, THAT IN THE MONTH OF NOVEMBER, FOR THE FIRST TIME SINCE 1963, AVIATECA HAD MADE A PROFIT (\$83,000), AND THIS BECAUSE OF ITS NEW SCHEDULE. RE FIFTH FREEDOM ISSUE, AS RENNEL REPORTED, ANZUETO PROFESSED UNDERSTANDING THAT THIS SHOULD BE MATTER OF PRINCIPLE FOR PAN AM, BUT HE CLAIMED THAT THE MAJORITY OF COUNTRIES (INCLUDING THE EUROPEANS) ACCEPT THE INTERPRETATION EMPLOYED BY GUATEMALA (LAY OVERTS CANNOT EXCEED 24 HOURS) AND THAT IN ANY EVENT THE JURIDICAL RESOLUTION OF THIS ISSUE IS LEFT TO THE GOVERNMENT INVOLVED, "AND THAT HAPPENS TO BE US." THUS ALTHOUGH ANZUETO SUGGESTED PAN AM PLACE ITS PROPOSAL IN WRITING, HE IS APPARENTLY NOT WAIVERING ON THE ISSUE. FIRMLY CONVINCED OF THE CORRECTNESS OF HIS COURSE, ANZUETO FEELS NO NEED TO BE COMBATIVE.

3. ONE INTERCHANGE NOT REPORTED TO US BY RENNEL ILLUSTRATES ANZUETO'S APPARENT DETERMINATION NOT TO SURRENDER GAINS HE FEELS HE HAS GOTTEN FOR AVIATECA. APPARENTLY THINKING THAT ELECTION YEAR CONSIDERATIONS WERE IMPEDING A COMPROMISE, RENNEL, ACCORDING TO ANZUETO, OFFERED TO ACCEPT NEW SCHEDULE IN TOTO "UNTIL MARCH 15" IF ANZUETO WOULD AGREE RECONSIDER ISSUE AFTER THAT DATE. ANZUETO SAID HE REPLIED THAT GOG POLICY IS NOT SUBJECT TO FIXED TERMINAL DATE AND WOULD BE MAINTAINED UNTIL GOG DECIDED CHANGE IT.

4. IF ANZUETO AND GOG ARE TO BE SWAYED FROM THEIR POSITION IT MAY BE THROUGH VERY ATTRACTIVE 727 OFFER OR THROUGH DETAILED ANALYSIS IMPLICATIONS PETROLEUM CRISIS. RECENT REPORTS THAT TEXACO IS PREPARED SATISFY GUATEMALA'S NEEDS IF PRICE RELIEF GRANTED WOULD UNDERMINE LATTER ARGUMENT, HOWEVER.

5. COULD DEPARTMENT PROVIDE EMBASSY WITH IDEA OF NUMBER
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PAGE 03 GUATEM 05927 142242Z

OF COUNTRIES THAT ACCEPT GOG DEFINITION OF FIFTH FREEDOM
AS OPPOSED TO PAN AM(U.S). DEFINITION?
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